



**State of Iowa
Purchasing Card Program
Cardholder's User's Guide**

January 2006

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Section 1 - Introduction

1.1 What is a Purchasing Card

The Purchasing Card is a MasterCard Credit Card issued by Commerce Bank for the State of Iowa. The Purchasing Card can be used with any vendor that accepts MasterCard as a form of payment. It is a convenient, flexible purchasing tool, which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and payment.

The Purchasing Card is to be used only for State purchases. The Purchasing Card works just like your personal credit card, except the State of Iowa pays for all authorized charges.

When vendors accept the Purchasing Card for payment of goods and services for business purchases, vendors will receive payment directly from Commerce Bank within 24 to 36 hours.

The Purchasing Card is authorized as a form of payment on commodity Master Agreement contracts that have been created and approved by DAS-GSE Purchasing. Always utilize the awarded vendor for items that can be purchased off of a Master Agreement. Contact DAS-GSE Purchasing for a list of Master Agreements and the awarded vendors.

In addition, the Purchasing Card is authorized as a form of payment for Travel Expenses, for certain Users. If you have this authorization, the Purchasing Card may be used to purchase airline tickets, hotel/motel room, and conference registrations. Entertainment expenses, including restaurants are not permitted (MCC codes (merchant category codes) will be blocked for Travel usage only on these cards).

Note: Not all Purchasing Cards are authorized for Travel Expenses.

1.2 What is a Purchasing Card Program

The State of Iowa Purchasing Card Program will allow for better management of state purchases and brings many benefits to you, the State of Iowa, and Vendors.

The purpose of the Purchasing Card Program is to establish a faster, more cost-effective method for purchasing and payment. The program is designed as an alternative to the traditional purchasing process for supplies and/or goods. If used to its potential, the program will result in a significant reduction in paperwork and processing time at all levels.

The Purchasing Card program will enable you to purchase non-restricted commodities, by telephone, fax, and Internet or in person, directly from the vendors.

The Purchasing Card program simplifies the procurement and disbursement process. Corresponding work processes associated with ordering and check writing will be minimized. Through the Purchasing Card program one payment is processed per month to Commerce Bank versus several individual payments monthly to numerous vendors.

Procurement responsibility and accountability are delegated to the Agency, in turn enabling authorized cardholders to place orders directly with vendors and to pay for the purchase using the purchasing card.

When a purchase authorization is requested by the vendor at the point-of-sale, the MasterCard Purchasing Card system checks the transaction against preset limits established by the cardholder's Agency. Transactions are approved or declined (electronically) based on the Purchasing Card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:

- Single purchase limit as set by the Agency Director or designee
- Monthly spending limit
- Approved Merchant Category Codes

1.3 Overview

The Cardholder Users' Guide provides the general guidelines for using the Purchasing Card. Please read it carefully. Your signature on the Cardholder

Agreement (Attachment I) shows that you understand the intent of the program and agree to follow the established guidelines.

Specific details pertaining to your business unit (internal policies) will be provided by your Agency Administrator. Information should include your accounts payable contact, single transaction limit, and monthly credit limit as well as the Commerce Bank Customer Service Number (1-800-892-7104) that you should call if your Card is lost or stolen.

The success of the Purchasing Card Program and its continued use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this Guide.

1.4 Parties Involved

There are various parties involved in the Purchasing Card Program. Those parties are as follows:

Card Issuer: Commerce Bank was selected as the State of Iowa's Purchasing Card Provider. Commerce Bank's services include issuing MasterCard Purchasing Cards to State of Iowa employees, providing electronic transaction authorizations, and billing the State of Iowa for all purchases made on the cards.

Commerce Bank's Customer Service: The Purchasing Card Program is serviced using a team approach with Commerce Bank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist cardholders with general questions about the Purchasing Card account. If a Purchasing Card is lost or stolen, Commerce Bank's Customer Service should be notified immediately.

The Commerce Bank Customer Service number is: **1-800-892-7104**

State of Iowa: The State of Iowa Purchasing Card Administrator coordinates with the Card Issuer and Agency Administrator to have Purchasing Cards issued to employees approved to receive cards. The State of Iowa agrees to accept corporate liability for the payment of all transactions.

Agency Administrator: An Agency Administrator will be designated within your Department/Agency for questions, issues and administration of the program. This person will be knowledgeable on all procedures in this Users' Guide. The Agency Administrator will not hold a Purchasing Card and be the primary contact for the agency (segregation of duties). The Agency

Administrator has a direct relationship with the Card Issuer. All Purchasing Card requests must go through the Agency Administrator. The Agency Administrator must approve an employee's request for a Purchasing Card, submit a Departmental Implementation Guide (Attachment II) and a Cardholder Setup Account Form (Attachment III) to the Card Issuer, and act as the intermediary in correspondence with the Card Issuer.

Cardholder: An employee of the State of Iowa who is designated by their supervisor, and approved by the Agency Administrator to utilize the Purchasing Card to purchase supplies and/or goods. The cardholder is responsible for following the guidelines provided by the State of Iowa and their respective agency in regard to purchases, selection of vendors, and security of the Card.

Purchasing Card Administrator/Global Accountant: Barbara Sullivan (from the Iowa Department of Administrative Services, General Services Enterprise Purchasing division) is the Purchasing Card Administrator/Global Accountant for the State of Iowa's card program. Barbara coordinates and acts as the State of Iowa's intermediary in correspondence with the card issuer.

Vendor: The merchant from whom a Cardholder is making a purchase.

Agency Accountant: The cardholder shall forward card transaction receipts and their Memo Statement to the Agency Accountant within their agency. This contact person within the agency will maintain all receipts and memo statements for audit purposes. These original documents must be kept for 10 years.

Section 2 – Assignment and Control of the Purchasing Card

2.1 New “Departmental” Purchasing Card Application

If your Department/Agency is new to the Purchasing/Procurement Card program and wish to apply please complete the State of Iowa Departmental Implementation Guide form (Attachment II). This form will setup your “master statement” information (department name, address, telephone, etc.) with Commerce Bank.

2.2 Cardholder Eligibility

If you were selected to receive a Purchasing Card it is because you have job responsibilities that require the purchase of certain types of supplies and/or

goods. You must be a permanent employee of the State of Iowa, and your application must be approved by your supervisor and Agency Administrator.

2.3 Ordering New Purchasing Cards

After you've been approved by your supervisor and/or Agency Administrator to receive a Purchasing Card (for business purposes only) you must complete a "Cardholder Account Setup Form" (Attachment III). Please submit this form to your Agency Administrator to be forwarded to the Purchasing Card Administrator for issuance of the new Purchasing Card.

2.4 Receiving a Purchasing Card

Before receiving a Purchasing Card, you are required to sign the State of Iowa Purchasing Card Cardholder Agreement (Attachment I). By signing this Agreement, you indicate that you understand the intent of the Program, and will comply with all guidelines of this Users Guide as well as the State of Iowa Policies and Procedures relating to purchase of supplies and/or goods and the expenditure of State of Iowa funds.

The State of Iowa Purchasing Card should always be treated with at least the same level of care that you treat your own personal credit cards.

The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be loaned to or used by any other person for any reason.

Before you use your new Purchasing Card it must be signed immediately upon receipt and "activated" for use by the Purchasing Card Administrator/Global Accountant (the card will come to you with a zero balance – upon activation the dollar balance on your card will be the credit limits assigned by your supervisor).

2.5 Who Does What

Cardholders shall:

- Use the Purchasing Card for State business purposes only, not personal use.
- Abide by and make each purchase in accordance with the State of Iowa's User Guidelines and your Agency's Policies.
- Ensure that the Purchasing Card is issued in your name and signed in

ink on the back of the card.

- Ensure that all purchases made on the Purchasing Card are made by the cardholder and the card is not used by other employees.
- Hold and keep secure the Purchasing Card, the card number and all transactions made with it.
- Adhere to the purchase limits and restrictions assigned to your Purchasing Card.
- Order supplies and/or goods that are needed and required by his/her Agency.
- Receive and inspect all ordered materials and services, report discrepancies to vendor. Sales tax should not be included.
- Obtain, validate and reconcile all sales slips, register receipts, and/or Purchasing Card slips and provide them to your Agency Accountant for reconciliation, approval and allocation of transactions to Commerce Bank's Cardholder Memo Statement within the time periods specified within your agency's policy.
- Approve monthly statements certifying charges prior to submission to your Agency Accountant. The Cardholder shall personally either sign every invoice or sign the monthly statement.
- If the cardholder has a purchasing travel card, he/she shall abide by the State of Iowa's Travel Policies and Procedures.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Commerce Bank if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder Memo Statement.
- Immediately report a lost or stolen card to Commerce Bank at 1-800-892-7104 (24 hours a day, 365 days a year).
- Immediately notify his or her Agency Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
- Return the Purchasing Card to the Agency Administrator upon request.
- Know the approved types of vendors that he/she can use his/her purchasing card with.
- Contact your Agency Administrator if a Vendor does not accept MasterCard.
- Not accept cash in lieu of a credit to the Purchasing Card account in the event of a refund for any reason.
- Not use the Purchasing Card for entertainment or cash.
- Not Purchase items listed below as excluded charges.
- Ensure that the appropriate purchasing or payment procedures are followed and not bypassed. Split transactions are not allowed. This program compliments the existing processes available. If advanced

approval is required before purchasing an item, such approval must be granted before payment for the item with the Purchasing Card.

Agency Administrator shall:

- Not have a Purchasing Card assigned to them if they have any of the duties of purchasing, payment approval, monthly reconciliation and authority to make changes to the card (segregation of duties).

Purchasing Card Administrator/Global Accountant shall:

- Coordinate issuance and cancellations of cards and receive from HRE a report on all employee new hires/transfers/terminations status.
- Coordinate program policy issues.
- Participate in ongoing program reviews.
- Participate in resolving billing disputes.
- Maintain Cardholder User's Guide.
- Prepare and distribute reports as required.
- Coordinate training for cardholders and purchasing card representatives.
- Process each request for a purchasing card.
- Provide final resolution of supplier disputes.
- Pursue vendor discount opportunities.
- Evaluate purchasing card feedback from suppliers.
- Review purchasing card activities on a statewide basis, evaluate for trends, initiate corrective actions as required, and/or define opportunities to establish competitively awarded contracts for repetitively purchased commodities and services.
- Coordinate targeted small business reporting requirements.
- Work with Auditors on regular financial and performance audits of the program.
- Work with Agency Directors, Managers, Accounts Payable staff and Supervisors to assist them in effective and efficient usage of the Purchasing Card process to accomplish their respective missions.
- Shall oversee approval of Merchant Category Codes (MCC) for the Purchasing Card Program.

Agency Accountants shall:

- Receive approved monthly transactions from card representatives.
- Receive consolidated statement from issuing bank.

- Confirm that all charges are authorized by the agency representative(s) and reconciled with receipts.
- Notify the Agency Director and Purchasing Card Administrator when approved monthly statements are not received on time.
- Pay monthly charges from consolidated statement.
- Check default coding in Works Payment Manager and sign-off approval so that export of Works data can interface into I/3.
- File and store statements for ten years
- Administer 1099 reporting.
- Conduct financial, operational and compliance audits.

2.6 Purchasing Card Controls

The Purchasing Card Program adds more accountability and convenience through a variety of control features built in at the card level that provide for management reporting. For instance,

- The Program allows the State to control spending limits and/or transaction limits.
- The Program allows the State to designate where spending is allowed by utilizing Merchant Category Code (MCC) blocking, which restricts Purchasing Card use for payment of certain types of Vendors.

2.7 Transaction Limits

All Purchasing Cards are assigned a transaction limit. A transaction limit (or single transaction limit) is the amount available on the Purchasing Card for an individual purchase. A transaction includes the purchase price and freight minus tax charges. You should not attempt to make a purchase greater than your approved amount.

Purchase of supplies and/or goods off-contract may not exceed the transaction limit (this limit is set by your Agency). However, if the purchasing card is used to purchase supplies and/or goods on contract with the State the transaction limit may be exceeded with approval of the Agency Administrator. Note: It is your responsibility to verify contract pricing on items and to ensure that the items are received when using the Purchasing Card.

If a transaction limit needs to be increased and/or changed written notification from the Agency Administrator must be sent to the Purchasing Card Administrator.

2.8 Credit Limits

All Purchasing Cards have monthly spending limits. Limits may vary for each Cardholder and will be established by your supervisor and Agency Administrator. If adjustments are needed for credit limits they must be made in writing by the Agency Administrator to the Purchasing Card Administrator.

2.9 Cardholder Liability

The Purchasing Card is a Purchasing charge card and will not affect your personal credit in any way. The Purchasing Card program carries corporate, not individual, liability. However, abuse of the Purchasing Card (i.e. incurring personal expenses or expenses without authorization) may result in liability to the State of Iowa for recovery for such unauthorized expenses. In addition to any administrative and disciplinary action that may be taken, the employee may be required to reimburse the State of Iowa for the total amount of the unauthorized expenses through payroll deduction.

It is your responsibility to ensure that the Card is used within stated guidelines of this manual and your Agency's Policies. Failure to comply with program guidelines may result in permanent revocation of the Card, notification of the situation to management, and disciplinary action in accordance with State of Iowa Policies and Procedures relating to disciplinary action and termination for cause.

Failure to submit properly completed reports related to cardholder activity within the time periods specified within this User Guidelines and your Agency's policy may subject the employee to appropriate action, such as:

- **First Offense:** Suspension of cardholder privileges for a minimum of seven (7) days.
- **Second Offense:** Suspension of cardholder privileges for a minimum of thirty (30) days.
- **Third Offense:** Immediate termination of cardholder privileges and a written reprimand to be maintained in the employee's personnel file.

The Cardholders Manager, based on consultation with the individual and their supervisor and pursuant to State of Iowa's Rules and Policies, will dispense the appropriate action.

2.10 Purchasing Card Security

You are responsible for the security of your Card. This Card should be treated with the same level of care that you would use with your own personal charge cards, even though the liability associated with the use of this Card lies with the State of Iowa. Guard your Purchasing Card account number carefully. It should not be posted in a work area, or left in a conspicuous place. It should be kept in an accessible but secure location.

Your name should appear on your Purchasing Card and you are the only person authorized to use your Card. The Purchasing Card is to be used for State business only.

The Purchasing Card must be returned to your Agency Administrator upon terminating employment with the State of Iowa or transferring Departments within the State of Iowa or as requested by your Agency Administrator.

2.11 Lost or Stolen Cards

You should report a stolen, lost or misplaced Purchasing Card immediately by telephone to Commerce Bank by calling **1-800-892-7104**. Commerce Bank representatives are available to assist you 24 hours a day, 365 days a year.

Immediately notify your supervisor and/or Agency Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours.

Your Purchasing Card will be automatically suspended by Commerce Bank and a new Purchasing Card will then be issued to replace the stolen, lost, or misplaced Card. Prompt action can reduce the state's liability for fraudulent activity.

The State of Iowa Purchasing Card should always be treated with at least the same level of care that you treat your own personal credit cards.

Section 3 - Travel Expenses

(To view these procedures, see DAS SAE Procedure 210 for Travel-Purchasing Cards)

Section 4 – Cardholder Use of a Purchasing Card

4.1 Completing a Purchasing Card Transaction

Follow these general guidelines when using your Purchasing Card to make a purchase:

- Determine if the transaction is an acceptable use of the Card, and if it is within the spending limits assigned to your Card.
- Purchases shall follow IA Code 11-105.15(8A) policy. Allowable Purchases: Any purchases from the Iowa Department of Administrative Services, General Services Purchasing Contracts (master agreements), non-State contract purchases up to \$5000.00 in value (it is to your advantage whenever possible to obtain three informal bids to get the best pricing – these bids must be included in the agency audit file) and all Certified Targeted Small Business purchases up to \$5000.00 in value. Should your cardholder transaction limits need to be increased/changed, please contact the State of Iowa Purchasing Card Program Administrator/Global Accountant. Large dollar purchases made by DAS Design & Construction or other agencies can be controlled with funding to these cards added through the Works “Purchase Request” process which includes a pre-approval of managers within the Agency before funds are placed on the cards.
- The cardholder may use the Purchasing Card at any vendor which accepts MasterCard for payment of purchases.
- Telephone, visit or fax the vendor that you selected to place an order. You can also place orders on-line via the world-wide-web. Your vendor will require the following information:
 - Your Name
 - Your Purchasing Card Number and Expiration Date
 - State of Iowa Sales Tax Exempt Status. The State of Iowa is exempt from paying Sales and Use Tax within the State of Iowa. You should make every effort to inform the Vendor that the State of Iowa is tax exempt, if applicable. When sales tax is charged, if not

applicable, you are required to obtain a credit (if at all possible) from the Vendor for the amount of sales tax charged.

- When placing an order over the Internet using the world-wide-web, there should be a screen showing exactly how much your Card will be charged, including shipping. Print this page from your browser; match this receipt to your Memo Statement at the end of the month.
- When ordering by telephone or fax, keep and/or provide your accounting staff with a copy of the order blank or description of the order to reconcile to your monthly memo statement.
- The vendor will complete a sales receipt which includes the following information:
 - 1) Imprint of the card, including card number expiration date, and cardholder's name.
 - 2) Date and amount of purchase.
 - 3) Description of item(s) purchased. If the Purchasing Card receipt only includes the total purchase amount, attach the detailed receipt, packing slip with detail information, or invoice. If an itemized receipt cannot be obtained, please note what items were purchased.
 - 4) Imprint of vendor name and identification.
- As the sales receipt is being completed, the vendor will obtain authorization for the transaction via either a telephone call or direct telecommunication link to the purchasing card authorization network. The vendor will obtain an authorization number (as long as the purchase is within the limits established for the card). Cardholders are required to inform vendors that all transactions need to run through the "Point of Sale" terminal. Merchants have a small machine called a "Point-of-Sale" terminal that a sales clerk must run the credit card through the machine so that information is transmitted electronically to the card issuer for authorization. When a "Point-of-Sale" terminal is used, all transactions must be authorized regardless of amount.
- The vendor will request that the cardholder sign the draft. Cardholders must verify that the dollar amount is correct. Also sales tax must NOT be included for the procurement of goods. Travel card use may incur sales taxes. Cardholders must also be sure that the sales draft or cash register receipt tape itemizes each purchase as to type of item, quantity and unit cost.

- Obtain one copy of the signed sales drafts. This copy and cash register receipt should be kept and verified against the monthly “memo statement”, and attached to the cardholder’s certified “memo statement” when forwarded to his/her Agency Accountant.

4.2 Excluded Charges

The following items are **NOT to be purchased with the State of Iowa Purchasing Card:**

- Alcoholic Beverages (except for the IA Veteran’s Home)
- Animals
- Automotive Repairs (only if not 1099 Reportable)
- Cash Advances
- Controlled Substances
- Hospitality/Entertainment (except for the IA Veteran’s Home)
- Interdepartmental Expenses
- Leases
- Personal Items
- Weapons, Ammunition
- 1099 Reportable Purchases

4.3 1099 Reportable Purchases

A 1099-MISC form is required to be filed for each **person** to whom the State has paid (1) at least \$10 in royalties, and (2) at least \$600 in rents, services, prizes and awards, other income payments, medical and health care payments or gross proceeds. **Note:** The word **person** should not be read to mean only an individual, but should be read to mean most types of business concerns i.e. individuals, partnerships, estates, associations, etc.

4.4 1099 NON-Reportable Purchases

Payments that are **not required** to be reported on Form 1099-MISC include generally, payments to a corporation (unless they are for health care services or attorney fees) and payments for merchandise. Non-Reportable 1099 usage of the State of Iowa Purchasing Card defaults to the following: (1) vendor blocking by merchant category codes; (2) daily oversight by agency supervisors and procurement card coordinators; (3) agency review of transactions processed; (4) cardholder training on proper usage of

the card and allowable transactions; and (5) post-auditing procedures required by the Iowa Department of Revenue and Finance and the State of Iowa Auditor's Office.

4.5 SALES TAX

All purchases to the State of Iowa Purchasing Card are to be **sales tax exempt**. It is the cardholder's responsibility to inform the vendor that the purchase is for official State of Iowa business purposes, and therefore is not subject to any State of Iowa, or any city sales or use tax. It is the cardholder's responsibility to check this at point of sale to ensure sales tax was not charged.

If sales tax is charged in error, please inform the vendor to credit the sales tax back to the Purchasing Card. A copy of the Sales Tax Exemption Certification (Attachment V) should be presented to the vendor charging the tax.

4.5.1 State Policy on Sales Tax (Including Local Option Tax)

The State of Iowa is exempt from paying sales tax under **Iowa Code, Section 422.45(5)**. *To that end, every effort must be made to ensure that vendors do not charge sales tax to the State.* For those vendors that charge sales tax to the State, for whatever reason, the goal is to eliminate the payment of the sales tax. There are several ways to do this, ranging from eliminating the sales tax charge before paying, to refusing to do business with that vendor. Iowa sales tax should never be paid when the payment amount can be reduced prior to processing a state warrant for payment. In those situations where the vendor has charged the State sales tax on a purchasing credit card purchase, agency personnel must always try to have the sales tax reversed. For sales tax amounts that are **de minimis** (*so small as to make accounting for it unreasonable or administratively impracticable*), state agency personnel should make an initial good faith effort to have the sales tax reversed. If that effort is unsuccessful, agency personnel should document the effort made and explain that further efforts will not be made due to the small amount involved and that they feel the additional effort would likely cost more than the potential reversal.

4.6 Receiving Supplies and Services

Each and every purchase must be supported by the vendor's original receipt. If your purchase is made via mail, Internet or telephone, ask the Vendor to include the receipt with the goods when shipping the product. However, a detailed itemized packing slip with dollar amounts may be used when this is the only

receipt available (i.e., book orders). Shipments to your home are not allowed, unless your home residence is your office.

Make sure the Vendor correctly filled your order. Verify that you received all of the items in the quantities that are specified on your Purchasing Card receipt or priced packing list. If accepting “partial” shipments from a vendor please check your monthly statement to verify that you were not charged the full price in error (or duplicated). Verify that Sales Tax was not charged.

Provide expediting/order follow-up as necessary, including tracing of lost shipments and filing claims for damaged shipments. You may request guidance in these areas from the Agency Administrator; however the responsibility for taking appropriate actions in these areas remains with you.

4.7 Statements

Commerce Bank MasterCard will mail a monthly “**memo statement**” to the cardholder upon its usage (or you may “download” this memo statement from the “Works” Payment Manager Software application). This memo statement may be directed to the cardholder’s department address or home address. This statement details charges billed during the monthly banking cycle. This statement contains transaction date, supplier/vendor name, and dollar value charged. In some cases, the supplier will provide additional details; however, it is ultimately your responsibility to keep detailed transaction records.

4.8 Reconciliation of Charges

When you receive your monthly memo statement it is essential that you or your Agency Accountant perform the following steps:

- Review the statement. Compare back-up documentation (receipts) to the transactions listed on the statement.
- Follow up on any exceptions (see Returns/Credits and Disputed Charges).
- Review statement for any items purchased during the month that do not appear on your statement which will hopefully appear on the next month’s statement.
- Attach (staple) all back-up documentation to the back of the statement and present the entire package to your supervisor for signature and spot audit.
- Keep copies of your memo statement and receipts for your record.
- Send the approved memo statement and all documentation to your Agency Accountant. It is imperative that the statement and accompanying documentation be turned in on a timely basis to ensure

costs can be properly reconciled with the “Master Statement”, recorded to the correct account coding, and **processed on a timely basis to avoid late fees.**

4.9 Returns, Credits and Disputed Charges

If discrepancies are noted on the monthly memo statement (for example, incorrect quantity, price, duplicate billing, credits from prior transactions, being charged for item(s) not yet received), the following steps should be taken:

- Contact the supplier and try to reconcile the differences. Keep a record of all your telephone calls to the supplier. If the supplier does not agree that an error has been made, contact the Customer Service Department at Commerce Bank (1-800-892-7104). The dispute must be in writing utilizing the Billing Inquiry/Dispute Form (Attachment IV) and submitted to Commerce Bank within 60 days of mailing of the first statement reflecting the alleged error. Your next statement should reflect the amount of the disputed item, if it does NOT continue to follow up with Commerce Bank until the dispute is resolved. No payment is due on a disputed amount until the resolution has been finalized.
- Any charge you dispute must be identified immediately and submitted on the designated form. Commerce Bank will then resolve disputes within 90 days.
- The cardholder is responsible for the transactions identified on his/her own memo statement (keep a photocopy of the dispute form with your statement). When an audit of your account is conducted, you must be able to produce receipts and/or proof that transaction(s) occurred. If an error is discovered, you are responsible for demonstrating that the error or disputed resolution process has taken place and/or is in process of being resolved.

4.10 Account Codes

Each individual Purchasing Card has been assigned a default account code, also referred to as a General Ledger Account Code.

In addition, each Merchant Type has been mapped to a General Ledger Account Code. In “Works” Payment Manager every purchase using the Purchasing Card

will be charged to the General Ledger Account Code mapped to the vendor's Merchant Type.

If for some reason the Vendor's Merchant Type is not mapped to a General Ledger Account Code, the purchase will be charged to your card's default General Ledger Account Code.

If necessary, we have the ability to change or reallocate charges to a different General Ledger Account Code. This is necessary when the default General Ledger Account Code assigned to a Merchant Type does not reflect the item or service purchased. For example, a furniture purchase from an office supply vendor with a General Ledger Account Code for an office supply merchant may be reallocated to a General Ledger Account Code for furniture.

4.11 "Works" Payment Manager

The ability to change or reallocate charges to a different cost center is performed using "Works" Payment Manager. "Works" is a secure, web-based card management system that captures all Purchasing Card transaction data.

Your Agency Administrator will be able to access data, reallocate expenses, and generate a monthly Cardholder Memo Statement from the "Works" application. They will also have the ability to generate accounting reports. All administrative and accounting tasks associated with the Purchasing Card Program can be performed online with "Works".

The "Works" software application provides automated reporting tools necessary for analyzing Program activities and presenting Program results. The "Works" system will interface with the AMS Advantage I/3 Financial system for payments to Commerce Bank monthly.

Within 24 to 48 hours of a Purchasing Card transaction, Cardholders and/or Managers may view on-line transactions in "Works". Using "Works", you have the ability to verify and/or reallocate transactions almost immediately. We recommend that the person responsible for reconciling your account, go on-line at least once a week to reconcile transactions. By accessing "Works" on a weekly basis and reallocating expenses by the end of the billing cycle the reconciliation process is already complete. In addition, at the end of each billing cycle, if you have access to "Works" you can download your Cardholder Memo Statement, which lists purchases made under your account. The Cardholder must sign this monthly statement certifying the charges and submit it to their Agency Accountant along with all the appropriate receipts.

4.12 Commonly Asked Questions & Answers

For what types of purchases should I use the Purchasing Card?

The State's policy governs how you can use the Purchasing Card. Your Agency Administrator will determine the types of purchases, as well as the maximum dollar amount for each purchase you will be authorized for.

In what ways do I benefit from using the Purchasing Card?

When you use the Purchasing Card, you enjoy reduced paperwork, direct contact with vendors, quick and efficient order processing, faster delivery, and fewer errors.

What should I do if my Purchasing Card is lost or stolen?

You should call Commerce Bank Customer Service, toll-free, **1-800-892-7104** immediately, to report the Purchasing Card missing and request a replacement.

What do I do if a purchase is denied?

Your purchase may have exceeded a spending or transaction limit. The State of Iowa may have excluded that type of Vendor or merchant, or the vendor or merchant is not equipped to accept MasterCard as payment. Contact your Agency Administrator to determine the reason.

What should I do if I want to change the per-month or per-transaction limits?

Contact your Agency Administrator.

What should I do if a Vendor does not accept the Purchasing Card?

Contact the Program Administrator, who will then contact Commerce Bank. Please provide the supplier's name, address, and phone number to the Program Administrator.

Will use of the Purchasing Card effect my credit report?

No. The program does not affect your credit rating in any way. However, abuse of the Purchasing Card (i.e. incurring personal expenses or expenses without authorization) may result in liability to the State of Iowa for recovery of such unauthorized expenses. The Purchasing Card program carries corporate, not individual, liability.

Whom should I contact to resolve an error or dispute concerning my account?

You should first contact the Vendor. Most exceptions or issues can be resolved between you and the Vendor. If you cannot resolve an issue with the Vendor, contact your Agency Administrator.

When I use my Purchasing Card to make a purchase, how is the transaction authorized?

When you use the Purchasing Card to make a purchase, the Vendor verifies the account number with Commerce Bank. Your spending limits are checked automatically against State of Iowa policy.

Attachment I

State of Iowa Cardholder Purchasing Card Agreement

The **State of Iowa** is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect State of Iowa assets.

I, _____, hereby acknowledge receipt of a State of Iowa MasterCard Purchasing Card, No. _____. As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchasing Card procedures.

By signing this agreement I acknowledge that I have read, understand and agree to comply with this Agreement and the Purchasing Card User Guide. Furthermore, my signature certifies that I have undergone the appropriate training for use of the Purchasing Card and agree to abide by all terms, conditions, procedures and policies thereof. I understand that the State of Iowa reserves the right to amend, change or revise such terms, conditions, procedures and policies and that this Purchasing Card shall be subject to such changes regardless of the date of issuance.

I understand that State of Iowa is liable to Commerce Bank and MasterCard for all State of Iowa charges. I agree to use this card for State of Iowa approved purchases only and agree not to charge personal purchases. I understand that State of Iowa will audit the use of this card and report any discrepancies to the Agency Administrator.

I understand that any misuse of the Purchasing Card assigned to me may result in some or all of the following actions against me by my employer.

- Corrective action of performance, up to and including dismissal.
- Discipline for misconduct, up to and including dismissal.
- Referral to law enforcement authorities for criminal prosecution.
- Civil legal action against me to recoup any amounts owed to the State for unauthorized purchases.

Furthermore, I understand and agree that by my signature below and by my acceptance and use of the Purchasing Card assigned to me that the State may recoup any amount owed by me to the State for unauthorized purchases.

By signing this Agreement I understand that the State of Iowa may terminate my right to use this card at any time for any reason. I agree to return the card to the State of Iowa immediately upon request or upon termination of employment.

Cardholder:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

Agency/Department: _____

Approving Authority:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

Attachment II

Departmental Implementation Guide

Department Name:

Address:

City: State: Zip:

Contact:

Title:

Phone: Fax:

Email address:

Secondary Contact:

Title:

Phone: Fax:

Email address:

Would you be interested in using the "Works" Payment Manager MasterCard web site as a tool to assist in reconciliation of your monthly account activity? ____ Yes ____ No

Merchant category codes (MCC) will automatically be clocked for use on each Department's cards. To review or obtain a listing of these codes please contact Barbara Sullivan, State of Iowa Procurement Card Program Administrator, Department of Administrative Services, General

Agent 810	<input type="text"/>	Cycle 26	<input type="text"/>	PCR: 18020001	FC: <input type="text"/>
000000	C/A: 0	<input type="text"/>			
Min Pay 1:	LF: 0	<input type="text"/>	AF: 0	<input type="text"/>	CL: 5000
<input type="text"/>	STL: 500	<input type="text"/>	<input type="text"/>		
CO#:	<input type="text"/>	<input type="text"/>	<input type="text"/>	22	<input type="text"/>

Services Enterprise -
Purchasing at:
Phone: 515-281-5922 -
or - Fax: 515-242-5974
- or - Email:

Attachment III

Purchasing Card

CARDHOLDER ACCOUNT SETUP FORM

Check One:

_____ New Cardholder _____ Change Card Account Number: _____

Cardholder Name: _____ (24 character limit)

Travel pcard: (Y/N) _____ Regular pcard: (Y/N) _____

Social Security Number (or verification#): _____ Employee # (TRAVEL) _____

Hierarchy Level:(if applicable) _____

1 2 3 4 5 6 7

Manager Name/Group:

Default General Ledger (GL) Coding, Fund: _____, Dept: _____, Orgn: _____, Sub-
orgn: _____, Object: _____, etc.

Memo Statement Address:

Department: _____ Transaction Limit:

Address: _____ Monthly Limit:

City, State & Zip: _____

The cardholder agrees, upon receipt of the monthly memo statement from the Commerce Bank, to verify the accuracy of the billing and forward the statement along with supporting documentation (the receipts are to be a descriptive documentation from the vendor including items purchased, quantity and price) signed by the cardholder, as well as all necessary department supervisors, to the Department Accounting/Accounts Payable Section. These payment documents must be received by the Accounting/Accounts Payable Section by the fifteenth (15th) day of the month in order to be paid on time and to avoid interest charges.

If the card is lost or stolen, the cardholder has the responsibility to notify the Commerce Bank, their Agency Purchasing Card Company Administrator, and local law enforcement agency (if necessary) immediately.

The cardholder is responsible and agrees to be held accountable to the State of Iowa for all charges made to the credit card. Should a cardholder terminate employment with the state or transfer between departments, the user department has specific obligation to reclaim the card prior to the employee's termination date. The cardholder may not make personal purchases on the card.

As holder of this Purchasing Card, I agree to accept this responsibility and accountability for the protection and proper use of this Purchasing Card, as enumerated above.

NOTE: Non-adherence to any of the above procedures will result in revocation of the individual cardholder's privilege to utilize a Purchasing Card. I understand that the unauthorized use by me or anyone else of the State of Iowa's Purchasing Card will result in discipline, up to and including dismissal from employment. I hereby authorize the State to hold my final paycheck until I have returned the Purchasing Card to my supervisor. I also authorize the State to debit my paycheck for any personal or non-reimbursable use.

Cardholder Signature: _____

Date: _____

Departmental Approval: _____

Date: _____

Following completion of this application, the requesting department will need to:

- Fax and/or email the application to: Barbara Sullivan, State of Iowa Purchasing Card Administrator

Fax Number: 515-242-5974 or Email: Barbara.Sullivan@iowa.gov

- Retain a copy of the application for program documentation and audit requirements within your agency.

Attachment IV

Billing Inquiry/Dispute Form

If you have a transaction appearing on your statement you are questioning, complete this form and return it to:

Commerce Bank Customer Service - 1-800-892-7104
Attn: P-Card Chargebacks - FAX - 1-816-760-7935
PO Box 13607
Kansas City, KS 64119

I have reviewed the charges made to my account and dispute the following item(s):

Account #:

Merchant name:

Amount: \$ Transaction Date: Post Date:

Please check any applicable:

1. ☐ The amount of sales receipt was increased from \$ to \$ or my sales slip was added incorrectly. Enclosed is my sales receipt which shows the correct amount.
2. ☐ I certify that the charge listed above was not made by me. If you have multiple unauthorized charges, which you do not recognize on your statement, please call Commerce Bank, Customer Service Center at 1-800-892-7104.
3. ☐ I have not received the merchandise which was to have been shipped to me. I contacted the merchant on (date) and requested that my account be credited.
4. ☐ The attached credit slip was listed as a sale on my statement.
5. ☐ I was issued a credit slip which was not posted on my statement. A copy of my credit slip is also enclosed.

6. ☐ I certify that the charge in question was a single transaction, but was posted twice to my statement. I did not authorize the second transaction. (Please note dates on which the sales in question were posted to your account.)
7. ☐ Although I did engage in a transaction at the merchant, I was billed for transaction(s) totaling \$ that I did not engage in. I do have my card in my possession.
8. ☐ Merchandise which was shipped to me has arrived damaged and/or defective. I returned the merchandise on (date) and requested the merchant to credit my account.
9. ☐ I contacted the merchant on (date) regarding this dispute, and they advised me the following: (My detailed explanation is attached.)
10. ☐ Other - (My detailed explanation is attached.)

Name (please print): Date:

Signature:

Department/Facility:

Best time to call:

Attachment V

Department of Administrative Services - State Accounting Enterprise

PAYMENT POLICIES – TAXES –230.150- PG 4 of 13

Pg. Revised January 24, 2005

Michael Ralston
Director



IOWA DEPARTMENT OF REVENUE
Hoover State Office Building
Des Moines, Iowa 50319
Telephone: (515) 281-3204 • www.state.ia.us/tax

October 22, 2004

Calvin McKelvogue, Chief Operating Officer
State Accounting Enterprise
Department of Administrative Services
Hoover State Office Building
Des Moines, IA 50319

Dear Calvin:

In response to a request, I am providing this letter to verify that purchases of tangible personal property and services by the State of Iowa for public purposes and all sales of goods, wares, or merchandise and services sold to and used by the State of Iowa for public purposes are exempt from the state sales and use taxes under Section 422.45(5) of the Iowa Code. This exemption is also granted to governmental subdivisions of the state, including the State Board of Regents, Department of Human Services, Department of Transportation, and state owned public utility which sells all or part of its processed waste as fuel to a municipally owned public utility, and all divisions, boards, commissions, agencies, or instrumentalities of the state. Purchases by the State of Iowa which are used on or in connection with any municipally owned public utility engaged in selling, such as electricity or heat to the general public, do not qualify for exemption and would be subject to sales tax.

The Iowa Department of Revenue does not issue or assign tax exemption numbers to entities or organizations which are exempted from paying the state sales or use tax. However, you may reproduce this letter in support of your sales and use tax exemption. If a vendor will not accept this letter, you may ask them to contact Taxpayer Services at (515) 281-3114 to answer any questions they might have. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald R. Cooper".

Donald R. Cooper, Administrator
Compliance Division

DRC:ds